Juniper

Internal Scrutiny Annual Report
2023-24

Michaela Community School

0345 200 8600 |enquiries@junipereducation.org | junipereducation.org

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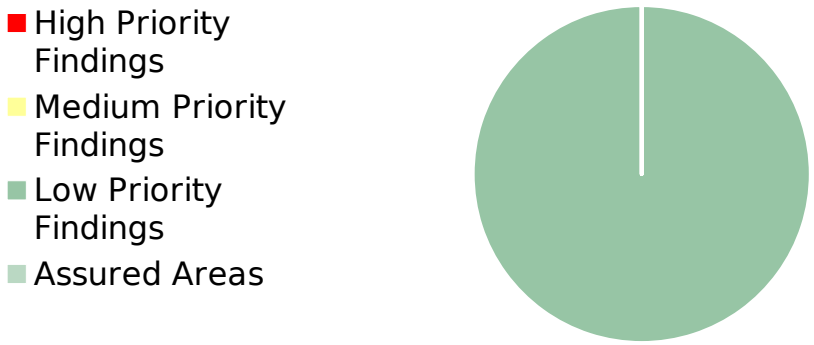
Executive Summary

Reviews undertaken:	Review provided by:	**Overall Opinion: Good**
Financial Control: Feb 2024	Juniper Education	
Financial Control: April 2024	Juniper Education	
Financial Control: June 2024	Juniper Education	



Total number of recommendations: 3

High Priority	0
Medium Priority	0
Low Priority	3

This report provides assurance that adequate controls are being operated within the trust, based on the understanding that the information provided during the review is accurate and complete. It should be noted however that recommendations to improve controls, if implemented, cannot guarantee that fraud or misappropriation could not occur.

Recommendations raised in the report issued should be considered by the board of trustees / Audit and Risk Committee to assist them in providing assurance over the suitability of, and compliance with, the systems and operational controls in place.

No fraud was identified or reported to us for the 2023-24 period. It remains the responsibility: of management to manage the control environment to help identify potential fraud and prevent the likelihood of fraud occurring.

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Overall Opinion Criteria

Good	There is a sound system of internal control designed to manage risks.
Satisfactory	There is generally a sound system of internal control processes.
Requires Improvement	There are significant weaknesses in key areas in the systems of control, and a high number of high-risk recommendations have been identified in each review completed.
Poor	Many risks identified are of a high-risk nature, and there are significant process failings.

Introduction

The Academy trust handbook specifies

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Providing that the trust has selected a scope of work for financial and non-financial controls and has considered its risk register, this Internal Scrutiny Report demonstrates how the trust meets the Academy trust handbook 2023 internal scrutiny requirements.

Please note that this report is an exception report and therefore only contains the details of any issues arising from

> *3.1 All academy trusts must have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively.*

the review of the scope of work detailed below.

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Scope

The relevant board, informed by its risk register approved the below scope of work:

Review 1:

Governance Framework 1	Banking
Internal scrutiny of controls and processes relating to Policies, Transparency, Publication of information.	Review to establish the effectiveness of the controls and processes for banking and BACS transactions.
Financial Oversight & Appointments	Bank Account Structure
Related Party Transactions - Register of Interests	Authorised Signatories
Related Party Transactions - Declaration of Interest Forms	BACS/Faster Payments
Related Party Transactions - Conflicts of Interest	Bank Reconciliation
Related Party Transactions - Reporting	Sample testing of bank reconciliations
Transparency - GIAS	Cheque payments
Suitability of members	Unresolved Issues
Gifts	
Risk	
Business Continuity	
Internal Scrutiny - Audit and Risk Committee	
Whistleblowing	
Unresolved Issues	

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Review 2:

Financial Governance	Balance Sheet Management
Internal controls and processes in place for Reporting, Scheme of Delegation and Financial Planning and Monitoring.	Review to determine the appropriateness and effectiveness of the controls and processes in place, around administration, approval, and segregation of duties in all areas of payroll processing.
Scheme of Delegation	Policies and Procedures
Financial Scrutiny	Aged Creditors
Financial Planning	Aged Debtors
Expenses	Control Account Reconciliations:
Budget Monitoring	Debtor Control/Sales Ledger Control Account
Reporting to trustees	Creditor Control/Purchase Ledger Control Account
Control Account Reconciliations	VAT
Bad Debts	Payroll
Key Performance Indicators	Accruals and prepayments
Unresolved issues	Sundry debtors and creditors

Income
Review to determine the controls and process in place for income and, if applicable, testing to determine the effectiveness of the controls.
Income processing policies and procedures
School Meals

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Trips and activities
Online income
Unresolved issues

Review3:

Governance Framework 2
Internal scrutiny of controls and processes relating to Policies, Transparency, Publication of information.
Internal Scrutiny
ESFA Oversight
Publication
Unresolved Issues

Procurement
Review to establish the effectiveness of controls and processes for all areas of procurement.
Purchase card
Quotations
Tenders
Authorisation levels
Expenditure sample testing
Value for Money
Unresolved issues

Payroll
Review to determine the appropriateness and effectiveness of the controls and processes in place, around administration, approval, and segregation of duties in all areas of payroll processing.
Payroll process
Segregation of duties
Financial regulations
Sample testing
Additional hours
Special payments
Unresolved issues

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Individual recommendations priority key:

A system of grading internal scrutiny findings, which have resulted in an action, has been adopted in order that the significance of the findings can be ascertained. Each finding is classified as High, Medium or Low. The definitions of each classification are set out below:

High Priority	Issues where there is a risk of significant financial impact on the trust that must be addressed immediately by the academy trust
Medium Priority	Issues where there is a risk of moderate financial impact on the trust, such as a control failure or the absence of a control in an area of moderate risk. These should be addressed soon.
Low Priority	Issues that relate to minor control deficiencies or enhancements in control efficiency. These should be addressed within an agreed timescale.

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Summary of Findings

RAG	Finding	Recommendation	
Governance Framework 1 of 2			
Low Priority	The academy trust has savings accounts but does not have an Investment Policy.	It was evidenced that the academy trust has a fixed deposit account (35-day account), the academy trust should consider 2.22 of the Academy trust handbook requirements regarding creating an investment policy should the academy trust continue to use fixed savings accounts or invest further.	
Management Response:		*Responsibility / Due Date:*	
Banking			
Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.			
Financial Governance			
Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.			
Balance Sheet Management			
Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.			
Income			
Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.			

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RAG	Finding	Recommendation	
Governance Framework 2			
Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.			
Procurement			
Low Priority	It was advised that the employment status (to establish the liability for tax and NI contributions) had not been considered for: • Mathew Rose for security services • Andrew Capone for tuition services	Academies must abide by HMRC guidelines and employment law when making payments for services provided. The 'Check Employment Status for Tax' tool should be used, when applicable, to establish the classification of the role performed by an individual and whether the academy is liable for the tax and N.I. contributions owed to the Inland Revenue by individuals, as well as the contributions owed by the academy. If the academy disputes the HMRC result or the tool returns an 'unable to determine' result, it is advised that the academy contacts HMRC to discuss and verify the result. (Telephone number: 0300 123 2326.)	
Management Response:		*Responsibility / Due Date:*	

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RAG	Finding	Recommendation	
Low Priority	Section 8 of the Finance Policy & Regulations states “requests for goods or services are made to the Finance Assistant who raises a purchase order on Sage (if order is in excess of £2,000) and places the order”. The sample highlighted nine non-order invoices where the invoice, or the annual expenditure for that supplier, was more than £2,000.	The approved Finance Policy & Regulations should be adhered to. Orders should be raised on the financial accounting system to allow the authorising signatory to review and approve the expenditure prior to an invoice being received for goods or services supplied.	
Management Response:		*Responsibility / Due Date:*	

Payroll

Checks performed to verify items listed in the scope of work found the systems to be in order and no issues were identified.

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EMERGING ISSUES

Acquiring and Converting a New School

An education whitepaper published in March 2022, set out the Government's ambition for all schools to be part of a multi-academy trust by 2030. Trusts will be looking to acquire further schools. Juniper can help with the due diligence for this process. Please contact carly.quickcrockford@junipereducation.org should you require any further information.

Wellbeing

It has been reported that staff stress levels are high, leading to many staff leaving the education sector altogether. Mitigating the impact of stress in the workforce should be implemented into everyday trust life by use of a wellbeing charter and strategies and structures that are put in place. Juniper can assess the general wellbeing of staff and provide suitable recommendations to help improve staff wellbeing and staff retention. Please contact carly.quickcrockford@junipereducation.org should you require any further information.

Cyber Security

Cyber security has continued to be a growing area of concern and risk over the past 18 months, with more people working remotely and an increased frequency of email hacking, phishing and malvertising. The July 2020 governance update advises that schools should include an assessment of cyber security within their risk registers, and the ESFA have produced further guidance and suggested questions that trustees can ask on the National Cyber Security Centre website.

GDPR

An increasing number of schools are incurring unplanned costs, both direct and indirect, because of the increase in basic, and easily avoidable, data protection incidents and poorly managed school communications. This is combined with the increasing awareness of data subject of their right to bring a claim [on average in the order of £5,000 per claimant], directly against a school, leading to considerable potential risk to a school. Our GPDR associate has created a briefing video which helps you understand the changing risk to your school and employ some basic strategies and resources to help mitigate them and protect your school against unplanned costs. If you would like access to this briefing, please contact carly.quickcrockford@junipereducation.org

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USEFUL LINKS

ACADEMY TRUST HANDBOOK

The Academy trust handbook 2023 is effective from September 2023. Trustees should ensure that they have read this document and noted any changes to ensure any new requirements are adhered to.

Academy Trust Handbook 2023 (publishing.service.gov.uk)

INTERNAL SCRUTINY IN ACADEMY TRUSTS

This good practice guide provides guidance for trustees, audit and risk committees, accounting officers, and chief financial officers (CFOs) in academy trusts.

Internal scrutiny in academy trusts - GOV.UK (www.gov.uk)

Bespoke Reviews

If our portfolio of reviews does not include a particular area of interest or risk identified by the trust board, please contact us to discuss our bespoke review options.

Consulting

Juniper is available to provide consulting services in many areas of running a multi academy trust, from centralisation implementation and restructuring to expansion and attracting schools. Please contact us if you would like more information on our consulting work.

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Non-Financial Reviews Offered

PE & Sports Premium Review

Schools must use PE and sport premium funding to make additional and sustainable improvements to the quality of the PE, physical activity, and sport they provide. Our review will look at whether the funding is being used effectively to develop and add to your provision and examine your own evaluation of the impact using the 5 key indicators set out in the DfE guidance.

Pupil & Recovery Premium Review

Evidence shows that disadvantaged children generally face additional challenges in reaching their potential at school and often do not perform as well as other pupils. Pupil and recovery premium grants provide funding for schools to provide extra support for these pupils. Our review team will take on the role of ‘critical friend’, highlighting areas of strength around the school’s approach to the use of the premiums, but also identifying what can be improved.

Safeguarding Internal Scrutiny Review

Keeping pupils safe is a core responsibility of schools and is rightly a key part of legislation and inspection. A safeguarding internal scrutiny review will assure settings of what they are doing well and provide recommendations to further improve practice and meet and exceed statutory expectations.

SEND Internal Scrutiny Review

Children and young people with special educational needs and disabilities should achieve well in their early years, at school and in college, and lead happy and fulfilled lives. Supporting SEND pupils safe is a core responsibility of schools and is rightly a key part of legislation and inspection. A SEND internal scrutiny review will assure settings of what they are doing well and provide recommendations to further improve practice and meet and exceed statutory expectations.

SEND Ofsted Audit

Though Ofsted doesn’t give separate grades for a school’s SEND provision, the evidence gathered is used to inform other judgements. Therefore, schools may find it useful to consider their provision in the same way as an inspection might.

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We are pleased to offer an audit focussing on Ofsted criteria, in particular the requirements of paragraphs 360 to 364 of the inspection handbook.

Sustainability Internal Scrutiny Review

Children and young people should have an understanding of the effects that human use of the world's resources has on them as individuals (including health, wellbeing, and financial wellbeing), the school community, their locality and the world. Our review team will take on the role of 'critical friend', highlighting areas of strength around the sustainability agenda, but also identifying what can be improved.

Teaching & Learning Review

Children and young people's education through the pandemic has suffered. Research is clear that some groups of pupils have fallen further behind than others. A key responsibility of schools is the need to prioritise the teaching of missed content so that pupils will be able to make sense of later work in the curriculum. This includes key knowledge, skills, vocabulary, concepts, and the links between concepts. Our review team will take on the role of 'critical friend', highlighting areas of strength around the school's approach to teaching for education, but also identifying what can be improved.

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